

CONFIDENTIAL

File  
XG 578 TO 1

25X1



7 May 1954

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Attention: 

Contracting Officer

25X1

**Subject:** Contract No. (RD) IG-578, Task Order No. 1,  
Proposal for production of prototype units.

**Gentlemen:**

In accordance with recent discussions held with your representatives, we are pleased to present herewith a program for the production of three (3) prototype ET-2 units. A statement of the work program is contained in Enclosure 1 attached hereto.

It is estimated that the three (3) units can be completed within one (1) year at a total estimated price of \$47,566.15, which includes a fixed fee of \$3,523.42. A detailed price breakdown is presented as Enclosure 2 attached hereto. The above price is quoted f.o.b. St. Paul, Minnesota, and with the understanding that the same terms and conditions in the basic contract and task order will prevail.

In addition, any supplementary contract or contract extension should provide for the following:

1. Transfer of residual material to the new contract, including drawings, tools, dies, reports, etc.
2. Working model should be available for use under the new contract as required by engineering.
3. Provision for diminution of work under present contract task order, including final settlement of vouchers.
4. Mutually acceptable changes resulting from evaluation tests of the working model will be incorporated in the prototype units.

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We thank you for this opportunity of submitting a proposal for this additional work. In the event you have any questions regarding this proposal, please feel free to contact us.

Very truly yours,

25X1

Contract Representative

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Enclosures-2

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Enclosure 1 to  ltr. dtd 7 May 1954

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PROGRAM FOR  
THREE PROTOTYPE ET-2 UNITS

A two-phase program of engineering and manufacturing is planned to produce three prototype ET-2 Units.

In the engineering phase it is planned to redesign the tape stepping mechanism to decrease operational noise. It is also planned to increase the tape stepping precision and to decrease the equipment weight.

A slight modification of the writing head is contemplated, consisting solely in decreasing the yoke air gap.

No basic changes are planned in the electronic circuitry. It is planned, however, to use subminiature electron tubes exclusively, if possible. A redesigned power transformer is also contemplated. Major engineering will be directed toward a product design compatible with manufacturing techniques and yielding simplicity of operation and maintenance.

During the manufacturing phase, three a-c operated prototype units, similar to the engineering model, will be fabricated.

*Desirable:*

- (1) volt meter vice neon lamps.*
- (2) Keyboard with*

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Enclosure 2 to  ltr. dtd 7 May 1954

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PRICE BREAKDOWN

## Direct Labor

<u>Classification</u>	<u>Hours</u>	<u>Estimated Cost</u>
Engineering	5250	\$ 15,750.00
Manufacturing	1517	<u>3,541.50</u>
Total Direct Labor		19,291.55
Overhead at 110 %		21,220.70
Materials and Purchased Parts		2,249.25
Travel, per diem, tel + tel, etc.		<u>1,281.23</u>
Total Estimated Cost		44,042.73
Fixed Fee at 8 %		<u>3,523.42</u>
Total Estimated Price		\$ 47,566.15

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